

BUSINESS PLAN

INCOME GENERATING ACTIVITY–VERMICOMPOST

by

JAI DURGA MAATA -Self Help Group



SHG/CIG Name	::	JAI DURGA MAATA
VFDS Name	::	Kamah/Basmol
Range	::	Theog
Division	::	Theog

Prepared under–



**Project for Improvement of Himachal Pradesh Forest Ecosystems
Management & Livelihoods (JICA Assisted)**

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Background

Vermicomposting has been gaining a strong foothold in the country due to simple production techniques, ecological, economic and human health benefits associated with it. A significant number of vermicomposting units have been set up by entrepreneurs, under government support/ with the technical guidance of Non-Governmental Organizations (NGOs), particularly in the southern and central parts of the country.

Vermicomposting has direct environmental and economic benefits as it contributes to the sustainable agriculture production and income of farmers significantly. There are a number of NGOs, Community Based Organizations (CBOs), Self-Help Groups (SHGs), Trusts etc. which are making concerted efforts to promote vermicomposting technology due to its established economic and environmental advantages.

Vermicomposting

Production of compost through rearing/using earth worms is called the vermicomposting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as vermicomposting or vermicompost. It is one of the simplest and cost effective methods for the production of composting for both the small and large scale farmers. Vermicompost production unit can be set up in any land which is not under any economic use but shady and free from water stagnation. The site should also be nearer to a water resource

Vermicomposting, rightly called “gold from garbage” is the major input in organic agriculture production. Owing to simple technology, many farmers are engaged in vermicomposting production as it invigorates soil health, soil productivity reduces the cost of cultivation.

There is a gradual increase in demand for vermicompost due to the high level of nutrient contents.

1. Description of SHG/CIG

SHG/CIG Name	::	JAI DURGA MAATA
VFDS	::	Kamah/Basmol
Range	::	Theog
Division	::	Theog
Village	::	Basmol
Block	::	Theog
District	::	Shimla
Total No. of Members in SHG	::	10
Date of formation	::	22-12-2022
Bank a/c No.	::	13060110054833
Bank Details	::	UCO Bank, Chhaila
SHG/CIG Monthly Saving	::	Rs 100/- by each member
Total saving	::	Rs 8000/-
Total inter-loaning		---
Cash Credit Limit		---
Repayment Status		---

2. Beneficiaries Detail:

Sr. No.	Name (Phone number)	Father /Husband Name	Age	Education	Category	Income Source	Address
1	Sheela (6230024682)	W/O Tara Dutt	50	8 th	Gen	Agriculture	Vill. Basmol, PO Kiar, Teh. Theog Distt. Shimla
2	Meera (6230334823)	W/O Nand lal	43	8 th	SC	Agriculture	Vill. Kamah, PO Kiar, Teh. Theog Distt. Shimla
3	Prabha (8580761200)	D/O Ramesh	23	BA	Gen	Agriculture	Vill. Basmol, PO Kiar, Teh. Theog Distt. Shimla
4	Reeta (6230132579)	W/O Surinder	27	Twelfth	SC	Agriculture	Vill. Kamah, PO Kiar, Teh. Theog Distt. Shimla
5	Sunita (9459756575)	W/O Babu Ram	40	8 th	SC	Agriculture	Vill. Kamah, PO Kiar, Teh. Theog Distt. Shimla
6	Kesri Devi (9459356249)	W/O Shyamanand	70	Uneduca ted	Gen	Agriculture	Vill. Lohat, PO Kiar, Teh. Theog Distt. Shimla
7	Sarla Devi (9805834259)	W/O Dinesh	25	10 th	Gen	Agriculture	Vill. Basmol, PO Kiar, Teh. Theog Distt. Shimla
8	Sunita (6230119003)	W/O Haridutt	50	5 th	Gen	Agriculture	Vill. Basmol, PO Kiar, Teh. Theog Distt. Shimla
9	Priyanka (9015119223)	W/O Ramesh	26	MA	Gen	Agriculture	Vill. Basmol, PO Kiar, Teh. Theog Distt. Shimla
10	Kesri 2 (8894427188)	W/O Kanshi Ram	60	Uneduca ted	Gen	Agriculture	Vill. Basmol, PO Kiar, Teh. Theog Distt. Shimla

3. Geographical details of the Village

3.1	Distance from the District HQ	::	55Km
3.2	Distance from Main Road	::	5Km
3.3	Name of local market & distance	::	Chhaila (5Km)
3.4	Name of main market & distance		Theog (18Km)
3.5	Name of main cities & distance		Shimla (55Km)
3.6	Name of main cities where product will be sold/ marketed	::	Theog, Shimla

4. Description of Product related to Income Generating Activity

4.1	Name of the Product	::	Vermicomposting
4.2	Method of product identification	::	This activity is being explained by JICA team from time to time
4.3	Consent of SHG/ CIG / cluster members	::	Yes

5. Description of Production Processes

Step		Description
Step-1	::	Processing involving collection of wastes, shredding, mechanical separation of the metal, glass and ceramics and storage of organic wastes.
Step-2	::	Pre digestion of organic waste for twenty days by heaping the material along with cattle dung slurry. This process partially digests the material and fit for earthworm consumption. Cattle dung and biogas slurry may be used after drying. Wet dung should not be used for vermi-compost production.
Step-3	::	Preparation of earthworm bed. A concrete base is required to put the waste for vermi-compost preparation. Loose soil will allow the worms to go into soil and also while watering, all the dissolvable nutrients go into the soil along with water.

Step		Description
Step-4	::	Collection of earthworm after vermi-compost collection. Sieving the composted material to separate fully composted material. The partially composted material will be again put into vermi-compost bed.
Step-5	::	Storing the vermi-compost in proper place to maintain moisture and allow the beneficial microorganisms to grow.

6. Description of Production Planning

6.1	Production Cycle (in days)	::	90 days (three cycles in a year)
6.2	Manpower required per cycle (No.)	::	1
6.3	Source of raw materials	::	From household and own farms
6.4	Source of other resources	::	Open market
6.5	Raw material - quantity required per cycle (Kg) per member	::	6tonnes per cycle
6.6	Expected production per cycle (Kg) per member	::	3tonnes (@50%) per cycle

7. Description of Marketing/ Sale

7.1	Potential market places	::	Theog, Gumma, Kotkhai
7.2	Distance from the unit	::	35kms to 65kms
7.3	Demand of the product in market place/s	::	HP Forest deptt is procuring huge vermi-compost for their nursery
7.4	Process of identification of market	::	PMU will facilitate the tie up of procurement of vermi-compost produced by SHG by HP Forest deptt.
7.5	Marketing Strategy of the product		SHG members will also explore the additional marketing options

			around their villages for better sale price in future.
7.6	Product branding		At SHG level product will be marketed by branding of respective SHG. Later this IGA may require branding at cluster level
7.7	Product "slogan"		"Naari shakti"

8. SWOT Analysis

❖ Strength

- ➔ Activity is being already done by some SHG members.
- ➔ Each of the SHG members are having cattle varying from 2 to 5 in each household.
- ➔ Families of SHG members are cultivating high value crops & vegetables which offers adequate availability of raw materials i.e. farm organic wastes throughout the year.
- ➔ Raw material easily available at their farms.
- ➔ Manufacturing process is simple.
- ➔ Proper packing and easy to transport.
- ➔ Other family members will also cooperate with beneficiaries.
- ➔ Product shelf-life is long.
- ➔ Hard working group.

❖ Weakness

- ➔ Effect of temperature, humidity, moisture on manufacturing process/product.
- ➔ Lack of technical know-how.

❖ Opportunity

- ➔ Increasing demand of vermi-compost on account of awareness among farmers about organic and natural farming
- ➔ Application of vermi-compost on their own field will go a long way in improving and enhancing the soil health and production of quality farm produce which will offer better price.
- ➔ Best utilization of organic waste including household left outs of kitchens
- ➔ Potential for marketing tie up with HP Forest

❖ Threats/Risks

- ➔ Possibility of break of production cycle due to extreme weather
- ➔ Competitive market
- ➔ Level of commitment among beneficiaries towards participation in training/ capacity building & skill up-gradation

9. Description of Management among Members

- ➔ **Production** – It will be taken care of by individual members including procurement of raw materials
- ➔ **Quality assurance** – Collectively
- ➔ **Cleaning & packaging** – Collectively
- ➔ **Marketing** – Collectively
- ➔ **Monitoring of the unit** - Collectively

10. Description of Economics

S. No	Particulars	Units	Quantity / Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5
A.	Capital Cost								
A.1	Construction of Pit and shed								
1	Construction as well as labour cost (Pit Size internal will be of 10ftX4ftX2.5ft)	Per member	10	6000	60000	0	0	0	0
2	Errction of cover shed	Per member	10	4000	40000				
	Sub-total (A.1)				100000	0	0	0	0
A.2	Machinery and equipment								
3	Tools, equipment, weighing scale etc.	Per member	10	2000	20000	0	0	0	0
	Sub-total (A.2)				20000	0	0	0	0
	Total Capital Costs (A.1+A.2)				120000	0	0	0	0
B	Recurring Costs								
4	Lease of land for setting up unit	Per annum	10	0	0	0	0	0	0
5	Seed earthworm	Per Kg	10	500	5000	0	0	0	0
6	Cost of procurement of Slurry/dung/waste	Tonnes	0	0	0	0	0	0	
7	Labour cost	Per tonne	40	700	28000	29400	30870	32414	34034

7	Packing materials	No.	200	50	10000	10500	11025	11576	12155
8	Other handling charges	Per tonne	40	150	6000	6300	6615	6946	7293
C	Other charges								
9	Insurance	L/S			0	0	0	0	0
10	Interest on loan	Per annum		2 per cent	3000	3000	3000	3000	3000
	Total recurring costs				47000	49200	51510	53936	56482
	Total cost =(capital cost+recurring cost)				167000	49200	51510	53936	56482
D	Income from vermicomposting								
11	Sale of vermicompost	Tonnes	40	5000	200000	210000	220500	231525	243101
12	Sale of earthworm					7500	15000	15000	15000
13	Total revenue				200000	216000	233280	251942	272097
14	Net returns (total revenue-total (D-C) (224000-172000)				33000	166800	181770	198006	215615

Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	120000	0	0	0	0
Recurring cost	47000	49200	51510	53936	56482
Total cost	167000	49200	51510	53936	56482
Total benefits	200000	216000	233280	251942	272097
Net benefits	33000	166800	181770	198006	21`5615

Distribution of net profit – As per share in production.

11. Inferences of Economic Analysis

- ➔ Pit size for each member has been planned at 10X4X2 ft for one pit.
- ➔ Cost of production of vermi-compost comes to Rs. 3.2 per Kg
- ➔ Sale of vermi-compost (conservative side) is Rs. 6 per Kg
- ➔ Net profit will be Rs. 2.8 per Kg
- ➔ It is proposed that each member will produce 2.7 tonnes of vermi-compost every year resulting in production of 40 tonnes vermi-compost by all 15 members of SHG in one year.
- ➔ Cost of earthworm has been kept at Rs. 500.00 per kg
- ➔ During the second years onwards, there will be surplus earthworm for sale (as it will multiply during the process of production of vermi-compost)
- ➔ The vermi-compost making is a profitable IGA and can be taken up by the SHG members.

12. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	120000	90000	30000
2	Total Recurring Cost	47,000	0	47,000
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	Total =	217000	140000	77000

Note-

- **Capital Cost** - 75% of capital cost to be covered under the Project
- **Recurring Cost** - To be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** - To be borne by the Project

13. Sources of fund:

Project support;	<ul style="list-style-type: none"> • 75% of capital cost will be utilized for construction of pit (Size will be of 10ft X 4ft X 2ft) • Upto Rs 1 lakh will be parked in the SHG bank 	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
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	<p>account.</p> <ul style="list-style-type: none"> • Training/capacity building/ skill up-gradation cost. 	
SHG contribution	<ul style="list-style-type: none"> • 25% of capital cost to be borne by SHG, this include cost of shed/construction of shed. • Recurring cost to be borne by SHG 	

14. Bank loan repayment

If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is not repayment schedule; however, the monthly saving and repayment receipt from members should be routed through CCL.

- In CCL, the principal loan outstanding of the SHG must be fully paid to the banks once a year. The interest amount should be paid on a monthly basis.
- In term loans, the repayment must be made as per the repayment schedule in the banks.

15. Training/Capacity Building/Skill Up-gradation

Training/capacity building/ skill up-gradation cost will be borne by project.

Following are some training/capacity building/ skill up-gradation proposed/needed:

- ➔ Project Orientation Group Formation/ Reorganization
- ➔ Group Concept and Management
- ➔ Introduction to IGA (General)
- ➔ Marketing and Business Plan Development
- ➔ Bank Credit Linkages & Enterprise Development
- ➔ Exposure Visit of SHGs/ CIGs – Within the State& Outside State

16. Monitoring Mechanism

- ➔ Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if need be to ensure operation of the unit as per projection.

- ➔ SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection.

Group members Photos –

Sr.No.	Name	Photo
1	Sheela	
2	Meera	
3	Prabha	

4	Reeta	 A portrait of a woman with long dark hair, wearing a red bindi on her forehead and a colorful patterned shawl. She is looking directly at the camera with a slight smile.
5	Kesri	 A portrait of an elderly woman wearing a colorful patterned headscarf, a white blouse with pink embroidery, and a dark vest. She has a red bindi on her forehead and is wearing a necklace.
6	Sunita	 A portrait of a woman wearing a red headscarf, a red top, and a dark vest. She has a red bindi on her forehead and is looking slightly to the side.
7	Sunita2	 A portrait of a woman wearing a dark headscarf, a brown top, and a light blue vest. She has a red bindi on her forehead and is wearing a necklace. She is standing in front of a wall.

8	Priyanka	
9	Kesri2	
10	Sarla	

Prepared by : SHG members in consultation with DMU Theog, FTU Theog Forest Range and JICA staff.

Annexure

We the member of group hereby consented to actively participate in the IG Activity opted by the group Jai Jurga Maata as per the guideline of JICA Project For Improvement of HP Forest Ecosystems management and Livelihood and coordination with the VFDS.

The details of the members is as under:

S.No.	Name (Phone number)	Father/Husband Name	Age	Education	Category	Income Source	Address	Sign
1	Sheela 9220034652	W/o Sh. Tean Dutt Shastri	50	8Th	General	Agriculture	Basmal	[Signature]
2	Meera 9817531888	W/o Sh. Nand Lal	42	8Th	S.C	Agriculture	Kamah	[Signature]
3	Shabha 858762276	D/O Sh. Ramesh	23	Graduate	General	Agriculture	Basmal	[Signature]
4	Rachna 6230132577	W/o Sh. Surinder	27	12	S.C	Agriculture	Kamah	[Signature]
5	Sumita 9459256578	W/O Sh. Babu Ram	40	8Th	S.C	Agriculture	Kamah	[Signature]
6	Kesha Devi 9427366277	W/O Sh. Labh Shyam	70	Uneducated	General	Agriculture	Lohat	[Signature]
7	Susha Devi 9805834257	W/O Sh. Pinesh	25	10th	General	Agriculture	Basmal	[Signature]
8	Sumita 623014088	W/O Sh. Late Hari Dutt	50	5Th	General	Agriculture	Basmal	[Signature]
9	Poojanka 9015119228	D/O Sh. Ramak	26	M.A(History)	General	Agriculture	Basmal	[Signature]
10	Kesha Devi 8894427188	W/O Sh. Kashiraj	60	Uneducated	General	Agriculture	Basmal	[Signature]
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								

Business Plan Approval by VFDS

Jai Durga Mata..... Group will undertake the..... Vermicomposting.....

As Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted) In this regard Business Plan of amount Rs. 247,000.. has been submitted by this group on Dated. 9/5/2023 and the Business Plan has been approved by VFDS Karnah (Barra)

Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank You

श्रीला

Signature of Group President

प्रधान
जय देवी माता सर्व स्वच्छता समूह
कन्या, बरनाह तह.
दिवंग जिला समूह (हि.प्र.)

MESHA

Signature of Group Secretary

सचिव
जय देवी माता सर्व स्वच्छता समूह
कन्या, बरनाह तह.
दिवंग जिला समूह (हि.प्र.)

Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the group Jai Durga Mata
Held on 2/5/2023 at Barnol that our group will undertake the
Vermicomposting as Livelihood Income Generation Activity under the Project for
Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods
(JICA Assisted)

श्रीला

Signature of Group President

श्रीला
जय दूर्ग मता जय माता मन्दिर
कमाल रोड जय पुर नं. बरनोल तह.
जिला जयपुर सिवास (हि.प्र.)

मिखा

Signature of Group Secretary

मिखा
जय दूर्ग मता जय माता मन्दिर
कमाल रोड जय पुर नं. बरनोल तह.
जिला जयपुर सिवास (हि.प्र.)

<p>1. Kamah/Baemal VFDS</p> <p>President</p> <p>President <u>Jayama</u> VFDS Kamah</p>	<p>2. Jai. Durga. mata...SHG</p> <p>श्रीला</p> <p>President</p> <p>प्रधान जय दुर्गा माता मातृ सहायता समूह कमलाचरण नगर पंच. कामाह तह. तिरुपति जिला सिमला (दि.प्र.)</p>
<p>3. Kamah Baemal VFDS</p> <p>Secretary</p> <p>Member Secretary <u>Bhama</u> VFDS Kamah</p>	<p>4. Jai. Durga. mata...SHG</p> <p>Secretary</p> <p>प्रधान जय दुर्गा माता मातृ सहायता समूह कमलाचरण नगर पंच. कामाह तह. तिरुपति जिला सिमला (दि.प्र.)</p>

Submitted to DMU through FTU

Name and Signature of FTU officer
(YOGINDER DAKTA)

<p>प्रधान सचिव जय दल सर्व सहायता समूह कमा MEEVA कमाई तह. दिनांक २०२० (दि.प्र.)</p> <p>Signature of SHG Secretary</p>	<p>शीला सचिव जय दल सर्व सहायता समूह कमाई तह प्र म पं. कमाई तह. दिनांक २०२० (दि.प्र.)</p> <p>Signature of SHG Secretary</p>
<p>Bhasma</p> <p>Signature of VFDM Member Secretary VFDS Kamah</p>	<p>Signature of VFDS President</p>
<p>Sharma</p> <p>Signature of Forest Guard</p>	<p>Signature of Block Officer VFDS Kamah</p>
<p>Signature of P.F.O Theog Forest Range Theog</p>	

E. Singh
Approved by DMU
Divisional Management Office
Theog, Forest Division, Theog

